

EXHIBIT O

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Bausch Health Credit Research

B Specialty Generic Pharma Global Dashboard



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1. Bausch's \$1.2 Billion Settlement and Credit Negative Credit Reaction

(Bloomberg Intelligence) -- RECENT EVENT REACTION: Bausch Health's announced settlement of its securities class action case for \$1.2 billion is larger than expected and enough to offset most of the company's deleveraging in 2019. Pro forma for the full payment amount would place leverage at 6.76x, assuming 2019 EBITDA of \$3.55 billion, compared with 6.43x unadjusted for the fine. The company plans to begin funding the settlement in mid-January, using cash, revolver or potentially bonds to help pay the amount.

THESIS: Even with Bausch Health now tracking a newfound deleveraging path, its bonds appear priced to perfection. With net debt now about 6.5x before the settlement, the company successfully pivoted in the right direction, using free cash flow to pay down debt and reduce leverage, albeit with a much slower growth profile. Ongoing ability management shows a proactive debt focus, yet meaningful organic growth remains more a goal than a reality. (12/16/19)

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Credit Considerations

Credit Checklist

2. Cash Flow, Not Earnings, Drives Bausch Health Leverage to Mid-6x

With no bond maturities until 2022 and \$1.88 billion of liquidity, Bausch Health's runway is long enough to build cash to successfully address \$5 billion of 2022-23 maturities. The company generated \$8.5 billion of past-12-month revenue as of 3Q and \$3.5 billion of adjusted EBITDA, for a margin of about 42%. First-come leverage is 3x, with total and net leverage at 6.7x and 6.4x, respectively. Bausch is expected to generate meaningful 2019 free cash flow, with operating cash flow guidance of \$1.5-\$1.6 billion. (12/09/19)

Interactive Credit Checklist

Credit Drivers	Credit Trends		
	Unfavorable	Neutral	Favorable
Earnings & Cashflow			
Leverage & Financial Policies			
Competitive Landscape			
M&A			
Event Risk			
Stock Performance			
Debt Maturities			

Credit Drivers

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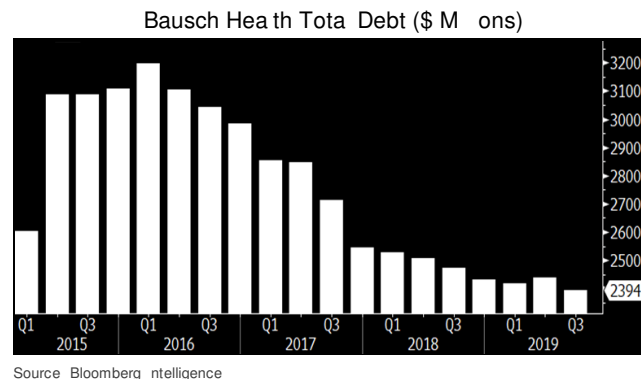
Bausch Health's Declining Debt Load Stands Out Among High-Yield Peers

In the mid-6x range, Bausch Health's leverage stands out among peers, but free-cash-flow generation continues to drive deleveraging and a steady improving credit profile. After peaking at \$32 billion of debt in early 2016, the company has about \$24 billion and, importantly, leverage has fallen by almost three turns from a 2017 peak. (12/09/19)

3. Debt Down \$8 Billion; Total Below \$24 Billion

Bausch Health has engaged in numerous refinancings since 2016, paying down debt and extending bond maturities while refinancing term loans into longer-dated credit facilities. The company's focus on ability management has reduced total debt by about \$7.6 billion since 1Q16 to \$24 billion at the end of 3Q, from a high point in 1Q16 of \$32 billion. Debt reduction should continue as management targets a debt level of \$20 billion.

During 3Q, Bausch repaid \$300 million of term loans and \$150 million of revolving credit. In May, the company announced the issuance of \$750 million of 7% unsecured bonds due in 2028 and \$750 million of 7.25% unsecured bonds due in 2029, with proceeds to be used for tendering for \$1.5 billion across the 5.5% unsecured notes due in 2023 and 5.875% unsecured notes due in 2023. (12/09/19)



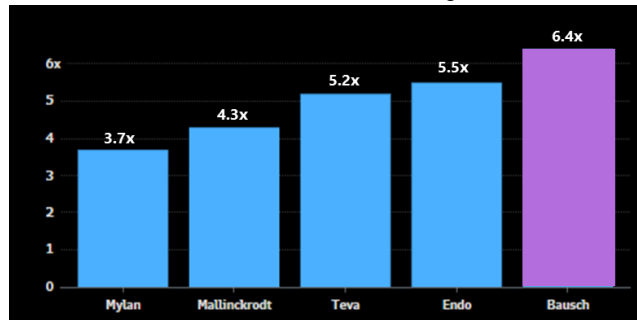
4. Net Leverage of 6.4x Tops Pharma Peers

Using full-year 2019 consensus EBITDA and 3Q capital structures, Bausch Health leads its peer group in terms of highest projected leverage. At 6.4x turns of net leverage, Bausch's credit stack is a turn more leveraged than highest yield peers Endo and Teva and more than two turns greater than Mannkind, while Mylan debt is projected to be levered 3.7x.

Net debt uses balance sheet cash and pro forma bond and loan principal as of 3Q earnings releases. (12/09/19)

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BI Calculated Net Leverage



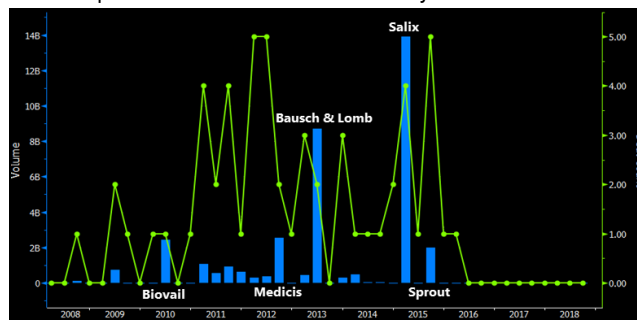
Source: Company filings, Bloomberg

5. Large-Scale M&A Came to Abrupt Halt

An era of debt-financed pharma acquisitions came to an end in 2015, when Valeant bought the ailing Sprout Pharmaceuticals for \$1 billion and not long after its largest purchase of Salix Pharmaceuticals for \$13.4 billion. Attempts to sell Salix for \$10 billion were reported by Reuters in late 2016, but a deal with potential buyer Takeda broke down. Sprout was divested along with a \$25 million startup loan to former Sprout shareholders for a 6% royalty on Addyi sales that started in 2019.

In May 2015, Valeant bought the then-\$3.5 billion annual sales eye-care company Bausch & Lomb for \$8.7 billion. (12/09/19)

Acquisition Deal Count & Volume by Announce Date



Liquidity

A \$23.6 Billion of Bausch Health's Debt Trading Above Par

With Bausch Health forecasting modest 2019 growth, we expect cash flow to be aimed at further delevering, as a sustained 2019 rally has a lot of its bonds trading above the par prices. Bausch ended 3Q at 6.4x net leverage vs. 6.8x in 1Q, based on \$22.8 billion in net debt and using \$3.55 billion in Ebitda. Cash from operations in the past 12 months was about \$1.6 billion. (12/06/19)

6. Less Than \$24 Billion in Debt, Leverage Declining

Bausch Health supports \$10.6 billion of first-lien debt levered 3x, with \$5.1 billion in bank debt and \$5.5 billion of secured bonds across four tranches and using the midpoint of 2019 Ebitda guidance of \$3.55 billion. Another \$13 billion across nine unsecured bonds brings total debt to \$23.6 billion, or under seven turns of gross leverage. The company has reduced debt by \$8 billion since 1Q16 and we expect Bausch to continue to chip away at its

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evaluated leverage by using cash flow to pay down prepayable debt. (12/06/19)

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	Principal	Rating	Price	Yield
Term Loans due 2025	\$ 5,119			
6.500% 1L Notes due 2022	\$ 1,250	Ba2/BB-	\$103.09	2.31%
7.000% 1L Notes due 2024	\$ 2,000	Ba2/BB-	\$105.07	2.48%
5.500% 1L Notes due 2025	\$ 1,750	Ba2/BB-	\$104.81	3.27%
5.750% 1L Notes due 2027	\$ 500	Ba2/BB-	\$108.96	3.34%
1st Lien Debt	\$ 10,619	2.99x		
5.500% Unsec'd Notes due 2023	\$ 402	B3/B-	\$101.29	1.43%
5.875% Unsec'd Notes due 2023	\$ 1,448	B3/B-	\$101.77	2.05%
4.500% Unsec'd EUR Notes due 2023	\$ 1,674	B3/B-	\$101.39	1.15%
6.125% Unsec'd Notes due 2025	\$ 3,250	B3/B-	\$104.33	3.12%
9.000% Unsec'd Notes due 2025	\$ 1,500	B3/B-	\$112.83	4.60%
9.250% Unsec'd Notes due 2026	\$ 1,500	B3/B-	\$114.20	4.76%
8.500% Unsec'd Notes due 2027	\$ 1,750	B3/B-	\$112.78	4.91%
7.000% Unsec'd Notes due 2028	\$ 750	B3/B-	\$108.47	5.11%
7.250% Unsec'd Notes due 2029	\$ 750	B3/B-	\$110.82	5.27%
Total Debt	\$ 23,643	6.66x		
Less 3Q Cash	\$ (825)			
Net Debt	\$ 22,818	6.43x		
2019 Adj. Ebitda Guidance Midpoint	\$ 3,550			

Note: Amounts in USD Millions

Source: Company filings, Bloomberg

7. Liquidity Position Remains Healthy

At the end of 3Q, Bausch Health held \$825 million of cash and \$1.05 billion of availability under a \$1.225 billion revolving-credit facility, for total available liquidity of \$1.88 billion. While the company hasn't historically required a large cash position to operate, we'd expect cash retention to remain in order to address large, ntermed-ate-term debt maturities ramping up in 2023. (12/06/19)

Bausch Health's Liquidity Profile

	3Q19	2Q19	1Q19	4Q18	3Q18
Cash & Equivalents	\$ 825	\$ 880	\$ 784	\$ 723	\$ 973
Revolver Borrowing Capacity	\$ 1,225	\$ 1,225	\$ 1,225	\$ 1,225	\$ 1,225
Amount Outstanding	\$ -	\$ (150)	\$ -	\$ (75)	\$ (75)
Letters of Credit Outstanding	\$ (170)	\$ (169)	\$ (170)	\$ (170)	\$ (170)
Amount Available	\$ 1,055	\$ 906	\$ 1,055	\$ 980	\$ 980
Total Liquidity Available	\$ 1,880	\$ 1,786	\$ 1,839	\$ 1,703	\$ 1,953

Note: Amounts in USD Millions

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Source: Company filings

Valuation

Bausch Health's Bond Yields Push Risky Lows, Despite Slow Growth

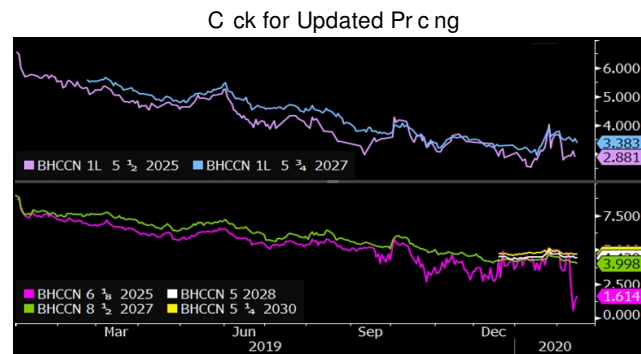
Historically compressed bond yields across Bausch Health's capital stack reflect broader market strength, leaving little room to rally with high net leverage above 6x and muted growth drivers an apparent afterthought. The third-largest high yield issuer's focus on execution while avoiding controversy, with modest growth framing credit views. (02/18/20)

8. Bond Yields 220-360 Bps Tighter Than Last Year

Bausch Health's Ba2/BB rated secured bonds trade at yields of 2.9% and 3.4% for notes maturing in 2025 and 2027, respectively. For the 2025 notes, that's about 220 bps tighter than in Feb. 2019. The company's B3/B rated unsecured bond due 2027 yielded 4%, 360 bps tighter. The most recently issued unsecured notes, due in 2028 and 2030, are trading at 4.4-4.7% yields. (02/18/20)

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